

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

1997 AUG 21 AM 11 58

In the Matter of Universal)
Service Generic Contested Case)

DOCKET NO. 97-00888

FILED IN THE
CLERK OF THE TENNESSEE REGULATORY AUTHORITY

RESPONSES TO HEARING OFFICER REQUESTS

NEXTLINK Tennessee, L.L.C. ("NEXTLINK") submits these comments pursuant to the Hearing Officer's Notice of Proposed Schedule and Request for Comments. NEXTLINK is a facilities-based, competitive exchange carrier operating in Nashville and Memphis since July 4, 1996.

NEXTLINK will be directly affected by the universal service funding mechanism and will participate fully in these proceedings. As a new market entrant, there are several concerns of substantial importance to NEXTLINK that relate to certain of the issues in the comprehensive list of issues set forth in the Notice. For example, competitive neutrality should be an overarching policy guiding review and revision of Universal Service in Tennessee. See issue XIII.C. Contributions to Universal Service should be on an equitable and nondiscriminatory basis. Transparency to end-users is one criterion of competitive neutrality. Consequently, Universal Service funding should be made explicit, meaning identified and segregated. Optimally, rates should be set without regard to Universal Service funding, which would be separate, for example, as a line item charge on the customer bill. See Issues V.C., XIII.H., XIV.H.

NEXTLINK has the following additional comments:

- Because competition is the main reason for requiring universal service reform and because competition is imminent in urban areas, NEXTLINK

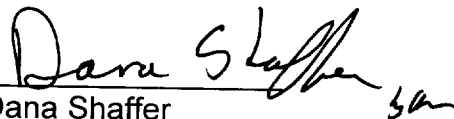
supports delaying consideration of the rural Universal Service issues, just as the FCC has done. See Issue F in the Preliminary Matters.

- NEXTLINK supports the FCC definition of services to be supported by Universal Service funding mechanisms. Such services are single party service; voice grade access to the public switched network; basic signaling; access to emergency services; access to operator services; access to interexchange service; access to directory assistance; and toll limitation services for low income consumers. See Issues IV.C., XIII.C.2.
- The proposed definition of "carrier of last resort" appears to be reasonable. See Issue VI.A.
- The proposed criteria to designate eligible telecommunications carriers appears to be reasonable. See Issue VI.D.

As to the remaining issues, NEXTLINK believes that it will be more appropriate to comment as the proceeding progresses and a complete record is being developed.

DATED this 21st day of August, 1997.

Respectfully submitted,



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The undersigned hereby certifies that a copy of the foregoing has been served, via U. S. Mail, postage prepaid, to the following on this the 21 day of August, 1997:

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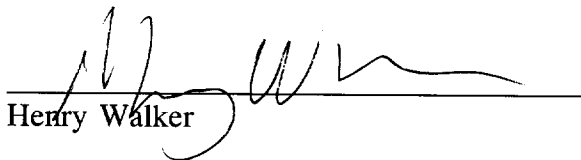
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